

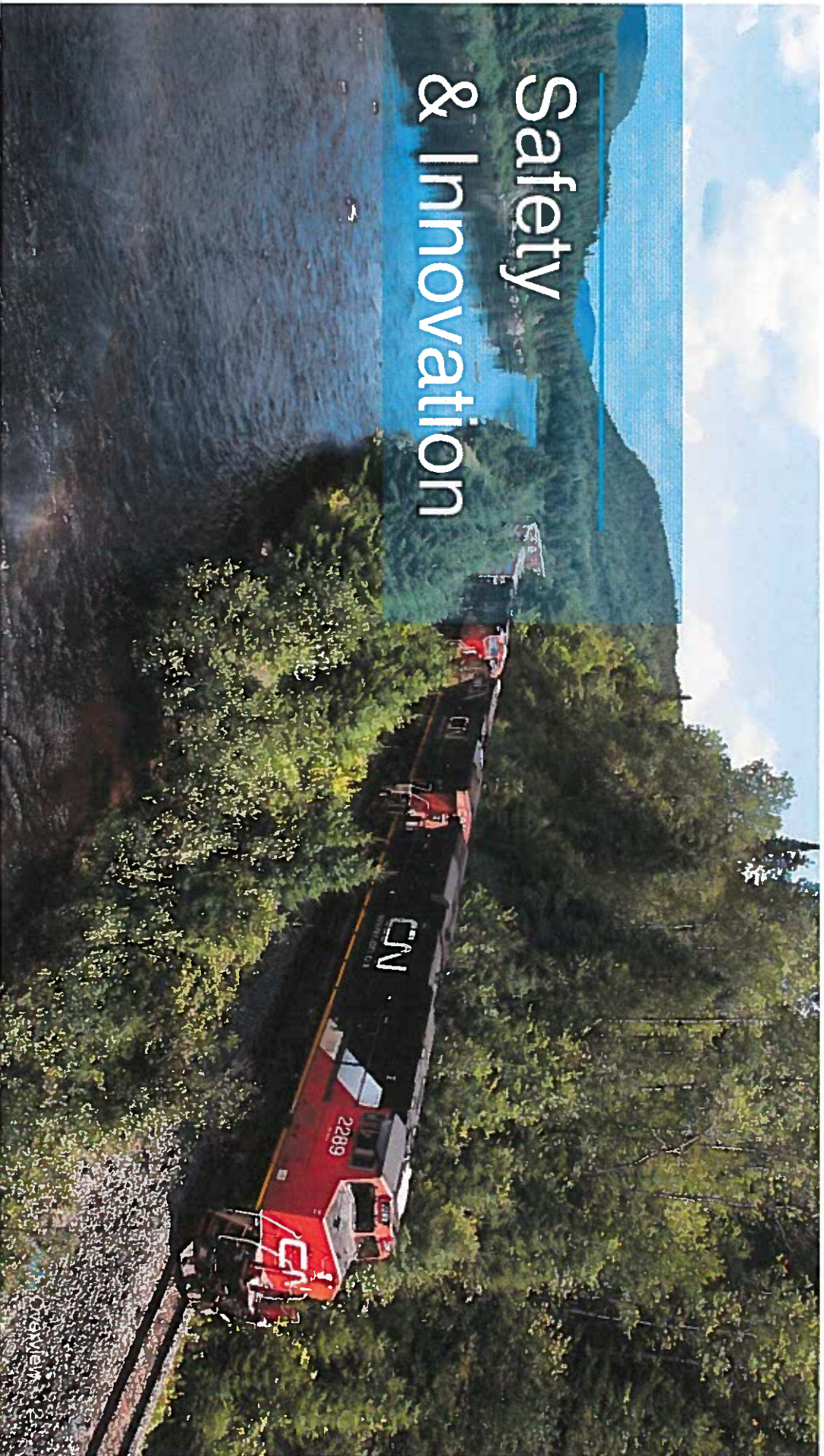


A True Supply Chain Enabler Moving Michigan's Automobile Industry

Presentation to the Michigan House Commerce and Trade Committee

April 25, 2017

Safety & Innovation



Who We Are

A backbone of the economy and a true supply chain enabler.

CN is a world-class transportation leader and the only transcontinental railway in North America. Our 19,600 mile network spans Canada and Mid-America, connecting three coasts.

We offer fully integrated rail and other transportation services, including intermodal, trucking, freight forwarding, warehousing, and distribution. Our extensive network coupled with our unique supply chain partnerships provide connections to all points in North America and beyond.

A true backbone of the economy, CN handles over \$250 billion worth of goods, hauls about 20% of Canada's exports and carries more than 300 million tons of cargo annually.

If you eat it, drive it, or use it, chances are **we** move it.



2015 HIGHLIGHTS

23,000 employees

USD \$9.3 billion in revenue

58.2% operating ratio

USD \$2.0 billion in capital investments

19,600 route miles

USD \$44.5 billion market capitalization

5.5 million carloads

Our Franchise

Unparalleled reach coupled with profound geographic and product diversity.

End Market Diversity

- 23% Intermodal
- 19% Petroleum & Chemicals
- 16% Grain & Fertilizers
- 14% Forest Products
- 11% Metals & Minerals
- 6% Automotive
- 6% Other Revenues
- 5% Coal

Economic Diversity

- 33% Canada/U.S. Trade
- 24% Global Trade – Asia
- 18% Domestic Canada
- 18% Domestic U.S.
- 4% Global Trade – Europe
- 3% Global Trade – South America



A True Supply Chain Enabler

A diverse scope of services allows us to provide flexible and all-encompassing transportation solutions.



Rail

With a network that extends to three coasts, you can access over 75% of the U.S. population and all major Canadian markets



Intermodal

Whether it's door-to-door, terminal-to-terminal, or overseas, we offer the flexibility you need to get your product to any and all markets



Trucking

We work together with our trucking partners, including our CNTL team, who deliver more than 1,300 loads a day



Warehousing & Distribution

1.3 million square feet of space available to share with customers across our network of more than 80 strategically located facilities



Logistics Parks

Offering ultimate flexibility and optimal round-trip efficiencies to our customers in Calgary, Chicago, Memphis, Toronto and Montreal



Freight Forwarding

We are a one-stop shop. We do the legwork, working with our ocean partners to move your product along the best supply chain routes



What We Stand For

A set of five core beliefs that drive how we conduct our business every day.

**CREATING
VALUE FOR
SHAREHOLDERS**

**DELIVERING
OPERATIONAL
AND SERVICE
EXCELLENCE**

**CREATING
VALUE FOR
CUSTOMERS**

**INDUSTRY
LEADERSHIP**

**DELIVERING
SAFELY
& RESPONSIBLY**

**PLAYING
OUR ROLE AS
A BACKBONE
OF THE ECONOMY**

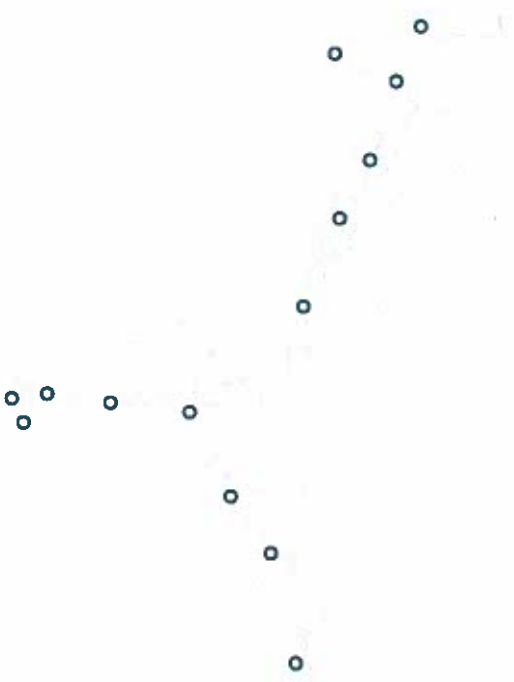
CN by the Numbers

450 train starts and
15,000 shipments moving each day (5.6 M
shipments/year)

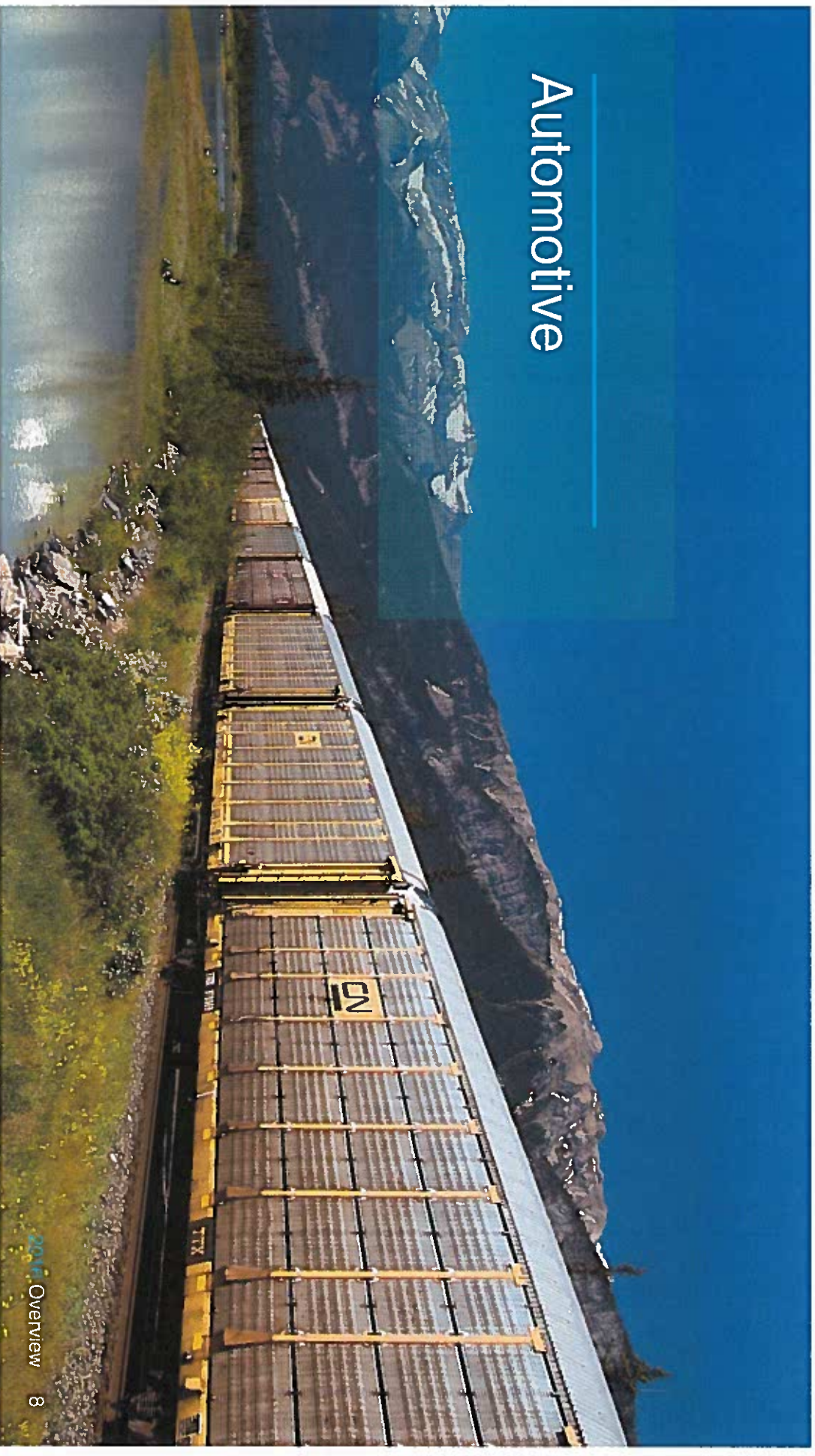
1,500 high horsepower locomotives and
110,000 active cars on line on any given day

6 major port connections,
10 main yards,
17 automotive compounds,
21 intermodal terminals,
58 transload centers,
200 interchange locations

All working together to enable
nearly \$200 billion worth of trade every year



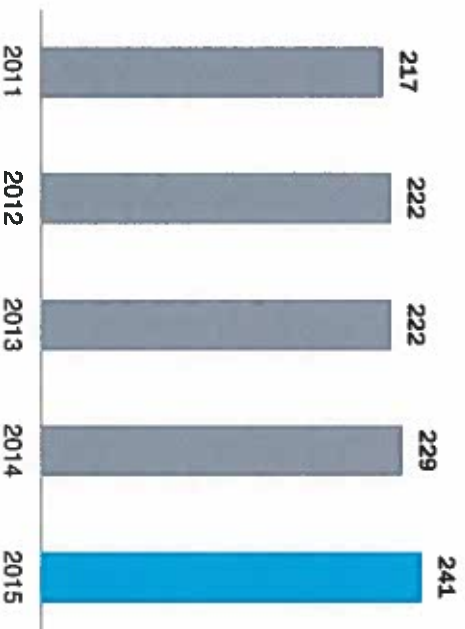
Automotive



Automotive

CN is a key player in the automotive supply chain, offering a range of value-added services

Automotive Volumes (in thousand carloads)



Handling over
2.3 million

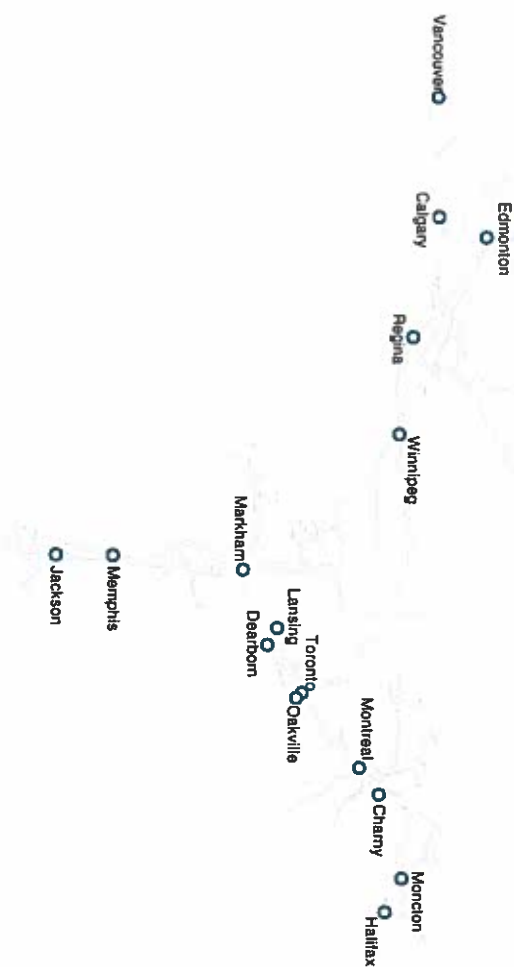
vehicles annually throughout North America

Providing rail access to
16 vehicle assembly
plants

of vehicles sold in
Canada are handled by
CN in Ontario, Michigan
and Mississippi

- Superior expertise in ensuring vehicles are well-secured and arrive to dealers damage-free
- By working closely with our partner ocean carriers, CN shipments of auto parts in containers have grown significantly

Automotive

- 
- St. John's
 - 17 Autoport centers located across Canada and the U.S.
 - Autoport services include:
 - OEM vehicle inventory management
 - Quality assurance and pre-delivery inspections
 - Railcar loading and off-loading
 - Vehicle release to haul-away carriers
 - Vehicle preparation services
 - CN Auto-Desk provides dedicated customer service for time-sensitive, high-value automotive parts shipped in containers
 - CN automotive distribution centers



Michigan by the Numbers

CN operates approximately 14 mainline trains through the state of Michigan.

- From Sarnia Ontario through a tunnel under the St. Clair River into Port Huron Michigan, all the way to Chicago, Illinois where it continues on other CN lines in whatever direction it needs to.
- From Chicago, Illinois back to Sarnia, Ontario where we hand it off to CN's Eastern Canada Division.
- From Sarnia, Ontario to Toledo, Ohio where we interchange our traffic and trains with the CSX.



Michigan Auto Production

CN-Served Plants

CN Served Michigan Plants Produced

1.1 million vehicles in 2015

By our best available estimate, CN moves roughly a quarter of all vehicles produced in Michigan.



Ontario Auto Production

CN-Served Plants

CN-Served Ontario Plants Produced
1.3 million vehicles in 2015





Thank You